

# Power Cost Memorandum Fuel Cost Update and Rate Change

Date: **December 17, 2020**

Utility Name (Cert. No.) <b>Naknek Electric Association, Inc. (22)</b>	Utility File No. <b>PC32-0416P</b>	Date Filed: <b>November 6, 2020</b>
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PCE AMOUNT SUMMARY	Previously Approved PC32-0416O	Staff Recommended Amount(s) and Effective Date PC32-0416P
Class Rate	Date Approved: July 3, 2020	December 18, 2020
Residential	\$ 0.2673	\$ 0.2386
Commercial Facilities		
Single Phase First 1,000 kWh	\$ 0.2673	\$ 0.2386
Over 1,000 kWh	\$ 0.2673	\$ 0.2386
Three Phase First 1,000 kWh	\$ 0.2673	\$ 0.2386
Over 1,000 kWh	\$ 0.2673	\$ 0.2386
Large Power	\$ 0.2673	\$ 0.2386
Large Power - Seasonal	\$ 0.2673	\$ 0.2386
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <span style="float: right;"><input type="checkbox"/> Interim    <input checked="" type="checkbox"/> Permanent</span>		

Prior Fuel Purchase Price: \$ 2.2784	Fuel Purchase Price: \$ 1.8669
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: n/a	Fuel Surcharge Change: Previous 0.164    Updated 0.164

Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	556,410	X	2.2784	=	1,267,724.54
Delivered	1,442,165	X	1.7082	=	2,463,506.25
	<u>1,998,575</u>				<u>\$ 3,731,230.79</u>
					Weighted Average
					\$ 1.8669

Signed: Brenda Cox

Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 12/17/20)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<u>RMP</u>		
McAlpine		<u>SM</u> SM		
Scott		<u>AGS</u> AGS		
Sullivan		<u>DS</u> DS		
Wilson		<u>JW</u> JW		

Special Instructions to Staff:

\*If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

# NAKNEK ELECTRIC ASSOCIATION, INC.

APPENDIX 1

POWER COST EQUALIZATION CALCULATION  
FOR TEST PERIOD ENDING DECEMBER 31, 2015

## Fuel Cost Update and Rate Change

	PC32-0416O	PC32-0416P
	Prior Commission Approval	Utility Request  Staff Recommended
A. Total kWh Generated	21,716,919	21,716,919
B. .1 Total kWh Sold (Appendix 2)	20,029,891	20,029,891
.2 kWh Sold - City	17,975,491	17,975,491
C. Total Non-Fuel Costs (Appendix 2)	5,759,718	5,759,718
D. Non-Fuel Cost/kWh (C / B.2)	<b>\$0.3204</b>	<b>\$0.3204</b>
E. Total Fuel Costs (Appendix 2)	3,350,590	2,745,443
F. Fuel Costs/kWh (E / B.1)	<b>\$0.1673</b>	<b>\$0.1371</b>
G. Eligible Costs/kWh (D + F)	\$0.4877	\$0.4575
H. Eligible Cost/kWh (G) less base rate in effect	\$0.2814	\$0.2512
I. Lesser of (H) or 20.63 cents/kWh	\$0.2814	\$0.2512
J. Average Class Rates (Appendix 3)		
Residential	\$0.2777	\$0.2777
Commercial Facilities		
Single Phase First 1,000 kWh	\$0.3299	\$0.2627
Over 1,000 kWh	\$0.3149	\$0.2477
Three Phase First 1,000 kWh	\$0.3899	\$0.3899
Over 1,000 kWh	\$0.3749	\$0.3749
Large Power	\$0.4295	\$0.4395
Large Power - Seasonal	\$0.6498	\$0.6498
K. Lesser of: (I) x 95% or (J)		
Residential	\$0.2673	\$0.2386
Commercial Facilities		
Single Phase First 1,000 kWh	\$0.2673	\$0.2386
Over 1,000 kWh	\$0.2673	\$0.2386
Three Phase First 1,000 kWh	\$0.2673	\$0.2386
Over 1,000 kWh	\$0.2673	\$0.2386
Large Power	\$0.2673	\$0.2386
Large Power - Seasonal	\$0.2673	\$0.2386
L. Funding Level in Effect	100%	100%
Residential	\$0.2673	\$0.2386
Commercial Facilities		
Single Phase First 1,000 kWh	\$0.2673	\$0.2386
Over 1,000 kWh	\$0.2673	\$0.2386
Three Phase First 1,000 kWh	\$0.2673	\$0.2386
Over 1,000 kWh	\$0.2673	\$0.2386
Large Power	\$0.2673	\$0.2386
Large Power - Seasonal	\$0.2673	\$0.2386

# NAKNEK ELECTRIC ASSOCIATION, INC.

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY  
FOR TEST PERIOD ENDING DECEMBER 31, 2015

## Fuel Cost Update and Rate Change

		PC32-0416O	PC32-0416P	
		Prior Commission Approval	Utility Request	Per Staff
<b>Non-Fuel Costs:</b>				
A.	Generation Expense	2,529,182	2,529,182	2,529,182
B.	Distribution Expenses	769,603	769,603	769,603
C.	Customer Accounts Expenses	428,569	428,569	428,569
D.	Administrative & General Expense	1,022,640	1,022,640	1,022,640
E.	Allowable Fixed Costs	925,269	925,269	925,269
F.	Fuel Regulatory Expense	358,125	358,125	358,125
G.	Reductions to Non Fuel Costs:			
	USAF Non Fuel costs	(188,388)	(188,388)	(188,388)
	Waste Heat Revenue	(81,957)	(81,957)	(81,957)
	Rent from Electric Property	(3,325)	(3,325)	(3,325)
H.	Total Non-Fuel Costs	<b>\$5,759,718</b>	<b>\$5,759,718</b>	<b>\$5,759,718</b>
<b>Fuel Costs:</b>				
I.	Gallons Consumed for Electric Generation	1,470,589	1,470,589	1,470,589
J.	Price of Fuel:(per gal) Weighted Average	\$2.2784	\$1.8669	\$1.8669
K.	Total Cost of Fuel (I x J)	<b>3,350,590</b>	<b>2,745,443</b>	<b>2,745,443</b>
L.	kWh Generated	21,716,919	21,716,919	21,716,919
M.	TOTAL SALES	20,029,891	20,029,891	20,029,891
M.1	kWh Sales - USAF	2,054,400	2,054,400	2,054,400
M.2	kWh Sales - City	17,975,491	17,975,491	17,975,491
N.	kWh Station Service	576,446	576,446	576,446
O.	Efficiency (L/ I) <span style="float:right">Eff. Std.</span>	14.77	14.77	14.77
	<span style="float:right">≥ 12.00</span>			
P.	Line Loss <span style="float:right">≤ 12%</span>	5.11%	5.11%	5.11%
	(kWh generated-(kWh sold + Sation Service))/kWh generated			

PC32-0416P  
Appendix 2

# NAKNEK ELECTRIC ASSOCIATION, INC.

## Average Class Rate Calculation

Appendix 3

Surcharge 0.16400

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

Facility Charge: \$15.00

Annual Update kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)+ Facility Charge:	(6) Avg. (\$/kWh) (E)/(A)	(7) Avg. Rate (\$/kWh) - 0.2063
500	0.2900	0.16400	0.4540	242.00	0.4840	0.2777
500				242.00	0.4840	0.2777
<b>TOTAL (A)</b>				<b>(E)</b>		

Rate Schedule: Commercial Single Phase

Facility Charge: \$30.00

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4) Facility Charge:	(6) Avg. (\$/kWh) (E)/(A)+	(7) Avg. Rate (\$/kWh) - 0.2063
1000	0.2450	0.16400	0.4090	204.50	0.4690	0.2627
Above 1000	0.2300	0.16400	0.3940	197.00	0.4540	0.2477
<b>TOTAL (A)</b>				<b>(E)</b>		

Rate Schedule: Commercial Three Phase

Facility Charge: \$60.00

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4) Facility Charge:	(6) Avg. (\$/kWh) (E)/(A) +	(7) Avg. Rate (\$/kWh) - 0.2063
1000	0.3122	0.16400	0.4762	238.10	0.5962	0.3899
Above 1000	0.2972	0.16400	0.4612	230.60	0.5812	0.3749
<b>TOTAL (A)</b>				<b>(E)</b>		

Rate Schedule: Large Power

Facility Charge: \$100.00

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4) Facility Charge:	(6) Avg. (\$/kWh) (E)/(A) +	(7) Avg. Rate (\$/kWh) - 0.2063
1000	0.2820	0.16400	0.4460	223.00	0.6460	0.4395
<b>TOTAL (A)</b>				<b>(E)</b>		

# NAKNEK ELECTRIC ASSOCIATION, INC.

## Average Class Rate Calculation

Appendix 3

Surcharge 0.16400

Calculation of Average Class Rate per kWh

Rate Schedule: Large Power - Seasonal

Facility Charge: \$200.00

Annual Update kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)+ Facility Charge:	(6) Avg. (\$/kWh) (E)/(A)	(7) Avg. Rate (\$/kWh) - 0.2063
500	0.2921	0.16400	0.4561	428.05	0.8561	0.6498
500				428.05	0.8561	0.6498

TOTAL (A)

(E)

Rate Schedule:

Facility Charge:

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (E)/(A)+ Facility Charge:	(7) Avg. Rate (\$/kWh) - 0.2063
			0.0000	0.00	0.0000	
			0.0000	0.00	0.0000	

TOTAL (A)

(E)

Rate Schedule:

Facility Charge:

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (E)/(A) + Facility Charge:	(7) Avg. Rate (\$/kWh) - 0.2063
			0.0000	0.00	0.0000	
			0.0000	0.00	0.0000	

TOTAL (A)

(E)

Rate Schedule:

Facility Charge:

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (E)/(A) + Facility Charge:	(7) Avg. Rate (\$/kWh) - 0.2063
			0.0000	0.00	0.0000	

TOTAL (A)

(E)

# Naknek Electrical Association, Inc.

## Fuel Purchases

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		556,410			
Last Approved Fuel Cost/Gal.			2.2784		
Beginning Fuel Inventory in Gallons	X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost ---->				\$ 1,267,725
Reporting Period Purchases	04/16/20	402,500.0	2.2664		912,226
	05/16/20	393,693.0	1.4300		562,981
	09/21/20	645,972	1.5299		988,273
Totals for Reporting Period Purchases on this sheet:		1,442,165			2,463,480
		\$1.7082			
Delivered Weighted Average		1,998,575		B \$	3,731,205
Grand Totals (beginning inventory plus purchases) A					
Grand Total Cost (B) divided by Grand Total Gallons (A) =		1.8669	Weighted Avg. Cost per gallon		

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